Panelists also identified various financing issues that need to be addressed by new business entrants during the 1990s. See the discussion under Chapter 4 of this report for a review of these factors.

IV. BROADCAST

1. Regulation

The FCC Mass Media Bureau regulates various aspects of the broadcast business. Broadcasters, TV or radio, must obtain authorization from the Bureau to be a licensee of these media services. The FCC Office of Consumer Affairs has application guides available and conferees are encouraged to read these carefully.

2. Business Opportunities

(a) Broadcasting

Broadcasting is a more mature business that offers fewer opportunities for new entrepreneurs.

Several panelists identified FM radio as a media business that continues to offer opportunities for commercial growth. AM radio was identified as more of a niche program service that depends on unique program formats and adequate technical capabilities in order to thrive in today's market. Panelists noted that a number of factors affecting the AM market during the 1980s have made investment in AM radio stations less attractive today. Congested airwaves and reduced advertising revenues have

made AM radio a more risky business investment. During the last several years a number of AM stations have gone off the air.

An opportunity for AM recovery was the focus of new rules adopted by the FCC in September 1991. These rules are designed to reduce AM congestion and promote technical quality. The most noticeable change is likely be the expansion of the AM band. In an attempt to reduce clutter on the dial, the AM band will be expanded from 1605 to 1705 kilohertz. The FCC has decided to offer expanded band licensing preference to those AM stations which now cause the most interference and are interested in moving to the new band.[49] The FCC also has adopted tax certificate incentives to encourage AM owners to sell their stations in instances in which there is a sufficient reduction in interference on the AM band.[50]

Conference panelists told attendees to heed the ongoing developments in Digital Audio Broadcasting (DAB). DAB represents a significant improvement over analog radio transmission by offering interference-free, CD quality sound over the airwaves. The U.S. government recently decided to back a proposal at the 1992 World Administrative Radio Conference (WARC) to allocate spectrum for DAB in the S-Band. In addition to S-Band allocations, current radio operators are studying the possibility

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49 Report and Order, MM Docket No. 87-267, adopted September 26, 1991.

50 "New AM Rules: Incentives For Buy-Out/Shut Down; Simulcasting Gets 3-Year Reprieve", Radio Business Report, September 30, 1991.

of in-band DAB. In-band DAB would allow the service to be broadcast in the current radio frequency allocations. The possibility of DAB allocations to present AM and FM radio owners could make existing radio stations more valuable in the future.[51]

Network television VHF or UHF affiliates were identified by panelists as good business opportunities for those who have access to significant investment capital. Panelists noted that the investment risk in UHF independent television stations depended more on the market location, the number of other television stations in the market, and the ability to obtain carriage on a local cable system. The need to identify unique local community program niches and draw sufficient advertising revenues were two areas also identified as significant challenges for independent television broadcasters during the 1990s.

(b) Broadcast Programming and Advertising

Panelists noted that another opportunity may lie with developing syndicated programming. For further information regarding the television programming market, panelists encouraged attendees to contact trade associations like the Motion Picture Association of America (MPAA), the National Association of Broadcasters (NAB), the National Cable Television Association (NCTA), the National Association of Television Program Executives

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51 Satellite CD Radio Displays Prototype, Radio and Records, p. 4, November 15, 1991.

(NATPE) and the Association of Independent Television Stations (INTV). In addition, for noncommercial programming a person can contact the Corporation for Public Broadcasting's Program Fund.

Several panelists highlighted the difficulties of convincing advertisers to place business on minority-owned or female-owned broadcast properties. They emphasized the need for better statistics to track the demographics of listening audiences. Trade journal articles have appeared since the conference which indicate that such actions are being initiated. An August 1991 Broadcasting magazine article reported on a study being prepared by Interep Radio in New York. This study predicts that advertisers may become more sensitive to programming demographics once they realize the facts about the listening audience for Urban Contemporary formats. These facts include:

(1) 68.7% of Urban's cumulative audience is black, 27.3% white;

(2) 58% of Urban listeners fall into the primary, age 25-54 target demographic group;

(3) 45% of Urban listeners household incomes are in excess of $30,000 annually, and 18% are above $40,000.[52]

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52 "Interep Study Pushes Value of Urban Format", Broadcasting, p. 29, August 26, 1991.

Nielsen Media Research has announced plans to add black and hispanic ratings services in an effort to better measure their actual audience.[53] A study by Nielsen Marketing Research reported that viewers in black households watch 48 percent more television than non-black households.[54] With Blacks representing $250 billion in combined income, and Hispanics having an estimated purchasing power of $171 billion, an accurate measure of these audiences will become increasingly important to advertisers. Appendix 5 provides additional statistical information provided by a conference panelist on U.S. black-owned broadcast stations.

Another development highlighted by panelists is the use of local marketing agreements (LMA) or time brokerage agreements in the radio and television industries. Generally, LMAs are an arrangement between stations to share programming and/or commercial time sales functions. Supporters of LMAs claim that they provide an opportunity for stations to realize cost savings, and allow them to survive tough economic periods. Opponents of LMAs argue that these agreements are simply a way of

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53 "Nielsen Beefing Up Minority Ratings", Electronic Media, p. 14, July 15, 1991.

54 "Blacks View More TV, Study Says", Electronic Media, September 30, 1991.

circumventing the duopoly and multiple ownership rules, and "work to the detriment of minorities".[55]

In the current rulemaking proceeding on radio multiple ownership, the FCC has raised several questions regarding LMAs. These include: whether such agreements should be permitted for 24 hours a day; whether one party should provide programming to more than one station per market; and whether programming should be allowed for stations in the same service (AM or FM) area.[56]

Further, a time brokerage bill, HR 3715, titled Television and Radio Broadcast Bulk Time Sales Act of 1991, was introduced by House Energy and Commerce Committee Chairman, Rep. John Dingell, in November 1990. The bill requires the FCC to complete a rulemaking within 180 days after enactment. HR 3715 mandates the FCC's rulemaking: define a bulk time agreement; limit the parties to the agreement; ensure public interest is served; limit the amount of time that can be brokered; and provide procedures to waive such rules if necessary.[57]

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55 "NABOB Opposes LMAs After Much Debate", Radio and Records, September 20, 1991. See also, "FTC: No Basis For Ownership Limits", Radio and Records, September 13, 1991. "11-year Time Brokerage Deal for Michigan TVs", Broadcasting, November 4, 1991, p. 32.

56 See, Notice of Proposed Rule Making, MM Docket No. 91-140 adopted May 9, 1991. See also, "Ailing Stations Buy Time With LMA's", Broadcasting, p. 40, September 30, 1991.

57 H.R. 3715, Television and Radio Broadcast Bulk Time Sales Act of 1991, 102d Cong. 1st Sess. See also, "Time Brokerage Deal Offered in House", Variety, p. 33, November 11, 1991.

(c) Direct Broadcast Satellite (DBS)

Another likely video market development highlighted by panelists is the advent of direct broadcast satellite (DBS) services. After many years of being considered chiefly a remote or rural service, DBS recently has attracted major financial supporters. The estimated total cost of deploying a DBS system is approximately $500 million. For the small business entrepreneur, DBS may present a business opportunity through distribution, sale, or maintenance of the associated home receiver units, or as a DBS channel programmer. If the economics of DBS prove to be attractive, the potential of this technology may be realized in the next few years.

What makes DBS commercially promising is the fact it represents a quite inexpensive means of garnering substantial viewing audiences. Just five percent of the U.S. average prime time viewing audience accounts for some 2.5 million viewers - - roughly half the present total Los Angeles TV audience and one-third the total New York TV audience.

Panelists noted that DBS prospects are likely to hinge on the availability of programming. While there are challenges in that regard, current DBS proponents command substantial financial resources, and involve some of the larger corporations in the U.S. During 1990, several cable companies formed a mid-power DBS service which commenced operation in November

1990.[58] During 1991, a consortium of companies was formed by Hubbard Broadcasting to start another DBS venture.[59] These ventures, and others that may arise, are likely to have the necessary financial resources to resolve the program acquisition issue.

Another challenge faced by DBS systems is the distribution and maintenance of a nationwide "network" of satellite terminals, an enterprise well-suited to small local businesses. Conference attendees were advised to look for these types of small business service opportunities. Additional opportunities also may arise in the program service distribution area. Please see Appendix 6 for further information on DBS.

3. Business Issues

Panelists identified the following business issues as critical to any business planning for new media ventures during the 1990s:

(a) Prospects for Conventional Broadcasters

The most familiar in-home entertainment medium is conventional broadcast television, notwithstanding the proliferation of other video entertainment options over the past decade. Television's share of total U.S. advertising

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58 Satellite Business News, p. 1, November 28, 1990.

59 "USSB, Hughes Revive DBS In $100 Million + Deal", Broadcasting, p. 35, June 10 1991.

expenditures -- about 20 percent -- has held constant, with local advertising growing faster than national or regional. Radio, too, has held firm with about 6.7 percent of total advertising and, here again, it has been local and, to some extent, regional advertising which has grown fastest.[60] However, recently the entrepreneurial opportunities available in both established mediums have become more uncertain.

Broadcasting, particularly television, traditionally has been among the most profitable commercial enterprises, especially for those firms which secured initial station licenses. Moreover, during the first half of the 1980s, broadcasting was a sector generally characterized by rapid growth and substantial capital appreciation. But technology-driven changes -- chiefly cable, VCRs and satellite -- and shifts in advertiser spending have had an impact on broadcast revenues. As of June 1991, FCC statistics show 175 AM and 17 FM stations "going dark" in the past 2 years, and 32 UHF and 3 VHF television stations ceasing operation. This suggests that broadcasting has entered a period of increasing video market competition.[61]

Undoubtedly some entrepreneurial opportunities remain in the broadcast sector and, given the role which broadcasting plays in our national life, expanding the opportunities for all

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60 "Majority of Radio Stations Operating at Loss", Broadcasting, p. 17, August 26, 1991.

61 See generally, OPP Working Paper Series 26: "Broadcast Television in a Multichannel Marketplace", June 1991. Office of Plans and Policy, Federal Communications Commission.

Americans to participate in broadcasting remains an important public policy goal. Nevertheless, panelists noted that broadcast ventures at this particular juncture carry with them higher entry costs and, in recent years, a somewhat higher market risk. Panelists mentioned several key factors for maintaining corporate profit in this sector, including careful control of costs, good programming, increased sensitivity to local viewers, and enhanced efforts to tailor marketing services to the specific needs of advertising customers.

(b) Comparative Process or Acquisition

Panelists identified the FCC's comparative process for awarding new broadcast licenses as expensive and time consuming. During the past year, the FCC has attempted to improve processing guidelines in this area.[62] To avoid the expense and time of the comparative process, panelists encouraged entrepreneurs to pursue ownership opportunities through acquisition of existing media properties.[63]

(c) Minority and Gender Preference

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62 See generally, Proposals to Reform the Commission's Comparative Hearing Process to Expedite the Resolution of Cases in Gen. Docket No. 90-264, 6 FCC Rcd 157 (Report & Order 1990).

63 For some general guidance in this regard, see Erwin G. Krasnow, "Buying a Broadcast Station: The Legal Due Diligence Process", p. 8., Broadcast/Cable Financial Journal, September-October 1991.

The minority and gender comparative preferences were identified as beneficial to new entrepreneurial endeavors. The FCC's distress sale policy was identified as a policy that required stricter enforcement of the rules in order to be more effective. Panelists emphasized the continuing need to ensure that these policies are utilized and supported by the FCC.

Panelists also discussed the minority tax certificate policy and identified it as the most useful policy for enhancing a minority's ability to acquire media properties. For example, the FCC has the option of giving tax certificates to owners of cable systems or broadcast stations that are sold to a minority-controlled company. If the seller of the system/station is granted a tax certificate, they will be able to defer payment of their capital gains tax derived from the sale, as long as the seller reinvests the proceeds in a qualified replacement property or uses the certificate to reduce the basis of certain depreciable property in the seller's possession. Thus, a minority-controlled company has the ability to take this tax benefit into account when offering a purchase price. The minority-controlled company also will receive the same tax deferral when it sells the system/station.

Minority entrepreneurs also can use tax certificates to attract investors to a broadcast or cable venture. The FCC grants tax certificates to investors who provide "start-up" capital to minority companies. Investors who purchase ownership interests in a minority company within the first year of its

operation are eligible for a tax certificate upon the eventual sale of their interests in the company.

Conference attendees should review Appendix 7, for a further discussion of FCC minority tax certificate and distress sales policies.

(d) Market Dynamics

Panelists described the 1990s as a buyer's market for media ventures. During 1990 and most of 1991 lower prices were found for most media ventures. For example, the New York Times reported on June 30, 1991, that the average price for a combined AM/FM station fell to $1.8 million, from a high of $6.2 million in 1987. Congested airwaves, the growth in the overall number of stations, and a weak advertising market were cited as reasons for the decline.

In general, panelists noted that the prices for cable systems also have lowered. For example, cable systems that once sold for up to $2,500 per subscriber or 15-18 times the cash flow frequency, now sell between $1,700-$1,800 per subscriber, or approximately 13 times cash flow. Larger systems with good demographics may still be able to attract a purchase offer of approximately $2,000 per subscriber.[64]

Panelists told conference attendees that the media market became more competitive during the 1980s. By the end of the

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64 "KKR seen as boosting system sales", Electronic Media, p. 1, July 1, 1991.

past decade, there were many more program services competing for advertising revenue. During the 1990s, many broadcast stations experienced lower advertising revenues. An annual survey by the National Association of Broadcasters and the Broadcast/Cable Financial Management Association reported that more than half of the radio stations in the country operated at a pre-tax loss in 1990. The same report showed television stations maintaining healthy cash-flows during this period.[65]

Attendees were advised to monitor market trends by reading such trade publications as Broadcasting, Radio & Records, Radio Business Report, Inside Radio, and Electronic Media. Also, attendees were encouraged to keep abreast of general business information publications. Finally, panelists encouraged new entrepreneurs to ask questions and seek information from sources like the FCC's Consumer Assistance Office, NTIA's COMTRAIN program, communications attorneys, and venture capital firms like BROADCAP, SYNCOM and UNC Ventures.

Chapter 6: FUTURE OPPORTUNITIES

I. PROGRAMMING AND PROGRAM DISTRIBUTION (SYNDICATION)

Panelists identified opportunities for those who have the creative talent to produce entertainment, public affairs, or

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65 See, "Majority of Radio Stations Operating at Loss", Broadcasting, p. 17, August 26, 1991. "Television Bottom Line Healthy Through 1990", Broadcasting, p. 31, September 2, 1991.

other types of programming. Program production and syndication companies earned significant revenues during the 1980s. More competition in production and syndication is likely during the 1990s, particularly between broadcast networks, cable networks, and independent syndicators. Moreover, the number of cable-originated program services have rapidly expanded; by the end of the 1980s, there were approximately 40 new cable program services, with more coming on the horizon.[66]

Today, it has become even more challenging to launch a new cable "network" service. In the longer term, however, such specialized program services do appear to offer significant opportunities, particularly if partnership arrangements can be concluded with facilities-based cable companies.

One example cited by panelists of entrepreneurial cable programming is the Black Entertainment Television Network (BET). BET was established by an individual entrepreneur working in partnership with large cable MSO operators and program investors. BET capitalized effectively on the fact that the 1980s saw the emergence of a significant viewer interest in niche programming, and thus tailored its news, information, and entertainment options to African-American concerns and interests. Supported both by subscriber revenues (with cable system owners remitting an amount per subscriber) as well as advertising revenues, BET

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66 "Cable Cares: An Analysis of Cable Television's Contributions to Society, 1980-1989," Cable Television Public Affairs Association, July 1990.

has been recognized as one of the more notable entrepreneurial programming achievements in the cable industry.[67]

There also have been successes in providing cable programming keyed toward women viewers, as well as America's large and fast-growing Hispanic and Asian populations. The success of these niche program services are in part a function of demographic changes in the United States, changes which are likely to continue during the next decade.[68]

Some demographers forecast that, by the first decade of the 21st century, the United States will be comprised of about 55 percent white European-heritage Americans, 20 percent African-Americans, 20 percent Hispanic-Americans, and 5 percent Asian-Americans. Hispanic-Americans should constitute a majority of the population, according to some forecasters, in 6 states, and be a significant factor in the 3 largest (California, Texas, and New York) states. Because the propensity to subscribe to cable television services appears relatively uniform across all

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67 On October 30, 1991, BET issued 4.25 million shares of stock giving it a market value of $475 million. See, "Stock Offering Grabs Interest on Wall Street, USA Today, p. B1, October 31, 1991.

68 Since the 1970s, for example, the number of women of working age working outside the home has approximately doubled, and may reach as high as 80 percent of women by the turn of the century. Furthermore, the demographic composition of the United States has greatly changed, chiefly because of immigration and the growth of large Hispanic and Asian-American populations. For more statistical information see generally, 1990 Census National and State Population Counts on Black Americans, U.S. Department of Commerce, Bureau of Census. See also, "The Hispanic Market - Why You Need to Understand It", The Advertiser, Fall 1991 (Premiere Issue).

population groups, this trend implies significant demand for specialized programming services.

Complimenting these demographic trends are technological developments which facilitate specialized programming services. Fiber optic deployment in cable systems and video compression techniques are increasing the capacity of cable systems while at the same time lowering the per channel cost, thus creating an abundance of channel capacity. Cable operators will be searching for innovative programming to fill this capacity.

II. DIGITAL AUDIO BROADCASTING (DAB)

This service area is likely to become a controversial issue during the 1990s. New types of digital broadcasting services may offer opportunities for those seeking to enter the radio market. See further discussion of DAB in Chapter 5 of this report.

III. HIGH DEFINITION TELEVISION (HDTV)

HDTV may offer new research opportunities for those entrepreneurs who have the relevant technical expertise. In July 1991, the Advanced Television Testing Center (ATTC) began testing the first of six proposed HDTV systems from four proponents. The ATTC is expected to have its results by fall of

1992. In the interim, the FCC issued an October 1991 Notice of Inquiry to address HDTV terrestrial broadcast service issues.[69]

Entrepreneurs following this area of development should analyze the investment potential in the equipment production, servicing and maintenance areas of the HDTV industry. These areas will require technical expertise or access to that expertise.

IV. PERSONAL COMMUNICATIONS SERVICES (PCS) AND PERSONAL COMMUNICATIONS NETWORKS (PCN)

PCS refers to the concept of providing portable communications services to individuals rather than fixed points. PCN identifies the facilities required to provide a low-power, portable radio microcell-based communications network service. Both concepts are still in the developmental stage. There are still many technical issues which need to be addressed. Possible issues include spectrum availability and the appropriate regulatory framework.[70]

The FCC is in the process of deciding how to authorize and regulate PCS services.[71] PCS could provide a lower cost

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69 Advanced Television Systems and Their Impact Upon the Existing Television Broadcast Service, MM Docket No. 87-268 (Notice of Inquiry, October 24, 1991).

70 "PCNs Seen Years Away", Communications Daily, Vol 11 No. 193, October 4, 1991.

71 Amendment of the Commission's Rules to Establish New Personal Communications Services in Gen. Docket No. 90-314, 5 FCC Rcd 3995 (NOI 1990) and Policy Statement and Order in Gen. Docket

alternative to present mobile services. PCS experimental testing has increased greatly within the last year. Regional Bell companies, international communications companies, and cable companies have filed experimental applications for PCS in certain markets. New entrepreneurs with less capital may want to identify PCS support service niches that require less start-up capital (i.e. equipment supply, cell-site installation and maintenance).

Digital cordless telephones also will continue to undergo major technological evolutions. This is exemplified by the development of CT2 and CT3, second generation cordless telephones. Both CT2 and CT3 will provide access to the standard telecommunications network.

For more information please contact the FCC Office of Consumer Assistance and Small Business.

V. AIR-TO-GROUND TELEPHONES

Since the FCC approved air-to-ground telephone service to and from airplanes, six operators have been licensed.[72] New opportunities could develop in providing equipment and service to these licensees. Getting contracts with the individual airline

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No. 90-314, October 24, 1991.

72 Report and Order, Gen Docket No. 88-96, 5 FCC Rcd 3861 (1990). See also, Memorandum Opinion and Order, Gen Docket 88-96, 6 FCC Rcd 4582 (July 11, 1991).

companies will prove to be the biggest challenge for new air-to-ground entrepreneurs.

VI. HIGH TECHNOLOGY

Business opportunities in engineering and technology include independent test laboratories, Part 15 devices, experimental service, and distinctly innovative services that warrant a "pioneer's preference". Independent test laboratories examine radio equipment and other electronic devices to determine if they meet FCC technical standards before they are marketed in the United States. Under FCC authorization procedures, most equipment testing is done by private laboratories. Small or specialized laboratories can be established for less than one million dollars.

Many of the unlicensed, low-power, consumer electronic devices (e.g., garage door openers) are made and marketed by small companies. These devices are permitted under Part 15 of the FCC's Rules, which impose minimal regulation. During 1991, the FCC modified Part 15 regulations in order to permit more opportunities for development and marketing of electronic devices.[73]

Experimental services provide a means for entrepreneurs to develop new radio services and technologies with minimal

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73 Report and Order, Gen Docket No. 87-389, adopted March 30, 1989, 4 FCC Rcd 3493 (1989). See also, Reconsideration Order in General Docket 87-389 5 FCC Rcd 6288 (October 26, 1990).

restrictions. Recently, the FCC proposed awarding a "pioneer's preference" to innovators proposing a new, spectrum-based service. Under the "pioneer's preference", the innovator would be guaranteed an opportunity to participate in providing the new service and would be given a six-month head start over competitors.[74]

Finally, many applicants or petitioners before the FCC need engineering analysis to support their applications or petitions. There are opportunities for small businesses to provide services for frequency coordination field studies, engineering studies associated with broadcast station applications, and studies to support spectrum reallocation.

Some high technology businesses that are being pursued by entrepreneurs include the automated vehicle locator services, radio common carrier, and mobile equipment services for taking sales orders. As the name implies, this area is highly technical and specialized. Therefore, an entrepreneur should have a strong familiarity with FCC procedures and FCC spectrum allocation tables. The entrepreneur also must be aware of regulatory changes in areas other than communications, such as environmental law. Regulatory changes in such areas could impact the proposed business opportunities. Appendix 8 provides

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74 Establishment of Procedures to Provide a Preference to Applicants Proposing an Allocation for New Services in Gen. Docket No. 90-217, 6 FCC Rcd 3488 (Report & Order 1991).

additional overview information on opportunities in engineering and technology.

VII. TELEPHONE EQUIPMENT

Due to regulatory efforts to increase competition in the local telephone markets, and ongoing efforts by the LECs and independent telephone companies to modernize their networks, the market for telephone equipment is expected to remain strong in the coming decade. While the telephone equipment market is currently dominated by several large vendors, the phone companies and alternative transport providers continue to seek competing equipment suppliers.

The modern telephone equipment market comprises state of the art equipment such as digital electronic switches. Digital electronic switches perform multiple routing and maintenance tasks, including self diagnostics, that enable technicians to monitor, control and modify network functions and the internal database. The technology required to manufacture this product is available in the public domain.

The local phone companies, in conjunction with the independents, AT&T, MCI, U.S. Sprint, and the full range of alternative transport providers maintain a vast national network of digital electronic switches to service the processing functions of the public switched network. As mentioned previously, several of the larger phone companies have equipment

vendor programs designed to encourage the participation of minority suppliers.[75]

In order to compete in the current $35 billion annual telephone equipment market, it is necessary to have and/or develop three basic primary capabilities:

1. Engineering development which is based on research and design (R&D).
2. Manufacturing and assembly of components/subsystems.
3. Engineering tools and support services.

At an estimated capitalization cost of three to five million dollars, the telephone equipment market may not be an option for everyone. However, there are several sectors of the capital markets which could be tapped for financing entry into the market. The long term equity capital requirements could be arranged through a syndication effort senior-managed by a private venture capital group or a Minority Enterprise Small Business Investment Company (MESBIC), and co-managed by an established investment firm. The short term working capital requirements (for inventory, etc.) could be provided by a consortium of banks

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[75] One participant in the telephone equipment market, Atlantic Pacific Technologies, Inc., is developing a strategic business plan which would give minority businesses access to the telephone equipment market to manufacture, market, install and manage digital electronic switching systems.

via traditional lines of credit and collateralized lending arrangements.

Conclusion

In recapping the 1990 Conference, there were several themes that were common throughout. New entrepreneurs may find the following of importance:

a. Prepare a creative business plan that will identify a feasible niche and market;

b. Come with a team of professionals such as engineers and attorneys, etc.;

c. Seek out venture capitalists, insurance companies, and investors as financial sources;

d. Come to the table with money;

e. Get practical experience in the industry;

f. Know your market, service community, and FCC regulatory procedures;

g. Know your strengths and weaknesses;

h. Persevere and be flexible with respect to your plans;

i. It may be easier to obtain financing for new technologies in certain circumstances;

j. One must survey the environment and monitor economic developments. Analyze the marketplace factors that impact new businesses;

k. Take a good look at yourself. Decide what you want to accomplish and determine your willingness to sacrifice for that goal. Examine your strengths and weaknesses and use them to your advantage;

l. Develop a plan of action complete with milestones and deadlines;

m. Understand the financial requirements to start and operate a communications business;

n. For every industry there is a different financial situation. Obtaining financing for a particular business will depend on the ability to prosper in today's market. A number of factors have made traditional bank financing more difficult to obtain. Recent problems in the banking industry have caused financial institutions to restrict their lending practices.

This conference focused on changes that occurred between the 1980s and 1990s with regard to communications opportunities. The communications industry represents a significant sector of our economy. The 1990s will challenge the entrepreneur to identify new business opportunities in broadcasting, cable, satellite, high technology, mobile, and telecommunications services. Technology will be even more important in the 1990s, than it was in the last decade.[76] One must monitor new technology trends and assess the impact on existing services.

During 1992, conference attendees are encouraged to keep abreast of FCC efforts to establish a Small Business Advisory Committee. This Committee will continue to assess many of the new opportunities addressed in this Report. See Appendix 9 for a further description of this advisory committee effort.

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76 With respect to new technologies, conference attendees are encouraged to follow developments at the 1992 (WARC). WARC is a worldwide conference convened by the International Telecommunications Union. The conference in 1992 will involve a major allocation of spectrum for new or improved services. The conference will be held in February 1992 in Torremolinos, Spain.

APPENDICES

(1) September 1990 Conference Agenda and Post Conference Questionnaire and Results

(2) FCC Organizational Chart

(3) FCC Public Notices (Private Radio and SMRS)

(4) FCC Public Notice (Cellular)

(5) Black-Owned Broadcast Statistics

(6) Direct Broadcast Satellite Fact Sheet

(7) FCC Public Notice (Distress Sales and Tax Certificates); Minority Tax Certificates Article - Krasnow, Kennard (Sept. 1990, Summer 1991); and FCC Tax Certificate/Distress Sale List

(8) FCC Public Notice (Engineering and Technology)

(9) Proposed Small Business Advisory Committee Charter